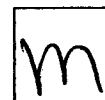


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-03875A
Mountain Glen Water Service
P. O. Box 897
Clay Springs, AZ 85923

RECEIVED

MAY 24 2006

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
-----------	-----------	-------------

Entered
5-24-06
RF

FOR COMMISSION USE

ANN04	05
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COMPANY INFORMATION

Company Name (Business Name) <u>Mountain Glen Water Service, Inc</u>		
Mailing Address <u>P.O. Box 897</u>		
<u>Clay Springs</u> (City)	<u>Arizona</u> (State)	<u>85923</u> (Zip)
<u>928-739-4770</u> Telephone No. (Include Area Code)	<u>928-739-4186</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address <u>bgen02@yahoo.com</u>		
Local Office Mailing Address <u>Same</u>		
 (City)	 (State)	 (Zip)
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>Beatrice J. Parker</u>			<u>Sec/Treas</u>
<u>P.O. Box 897</u> <u>2148 Granite Rd</u> (Street)	<u>Clay Springs</u> (City)	<u>AZ</u> (State)	<u>85923</u> (Zip)
<u>928-739-4770</u> Telephone No. (Include Area Code)	<u>928-739-4186</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
Email Address <u>bgen02@yahoo.com</u>			
On Site Manager: <u>William J. Parker</u>			<u>President</u>
<u>Same</u> (Street)	 (City)	 (State)	 (Zip)
 Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: _____

Robert metli
Sneel & Wilmer, L.L.P. (Name)

One Arizona Center
(Street)

Phoenix
(City)

AZ
(State)

85004-2202
(Zip)

602-382-6000

Telephone No. (Include Area Code)

601-382-6070

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☒ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

Company Name:

Mountain Glen Water Service, Inc.

UTILITY PLANT IN SERVICE

Acct. No.	Description	Original Cost	Accumulated Depreciation	OCLD
301	Organization	\$ 2,384.39	\$ 625.90	\$ 1,758.49
302	Franchises	-	-	-
303	Land & Land Rights	8,110.00	-	8,110.00
304	Structures & Improvements	9,176.77	1,822.34	7,354.43
307	Wells & Springs	30,636.34	7,046.53	23,589.81
311	Pumping Equipment	32,793.28	9,344.15	23,449.13
320	Water Treatment Equipment	-	-	-
330	Distribution Reservoirs & Standpipes	25,039.57	4,481.52	20,558.05
331	Transmission & Distrib. Mains	69,443.29	13,180.18	56,263.11
333	Services	14,704.42	3,512.03	11,192.39
334	Meters & Meter Installations	18,870.21	4,544.61	14,325.60
335	Hydrants	-	-	-
336	Backflow Prevention Devices	-	-	-
339	Other Plant & Misc Equipment	-	-	-
340	Office Furniture & Equipment	1,076.97	530.84	546.13
340.1	Computers & Software	7,539.49	2,971.92	4,567.57
341	Transportation Equipment	11,728.25	5,131.11	6,597.14
343	Tools, Shop & Garage Equip.	-	-	-
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communications Equipment	-	-	-
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	-	-	-
	TOTAL WATER PLANT	\$ 231,502.98	\$ 53,191.12	\$ 178,311.86

This amount goes on the Balance Sheet Acct. No. 108

Company Name:

Mountain Glen Water Service, Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	Description	Original Cost	Depreciation Percentage	Depreciation Expense
301	Organization	\$ 2,384.39	5.0000%	\$ 119.22
302	Franchises	-	5.0000%	-
303	Land & Land Rights	8,110.00		-
304	Structures & Improvements	9,176.77	3.3300%	305.59
307	Wells & Springs	30,636.34	3.3300%	1,020.19
311	Pumping Equipment	32,793.28	12.5000%	4,099.16
320	Water Treatment Equipment	-	3.3300%	-
330	Distribution Reservoirs & Standpipes	25,039.57	2.2200%	555.88
331	Transmission & Distrib. Mains	69,443.29	2.0000%	1,388.87
333	Services	14,704.42	3.3300%	489.66
334	Meters & Meter Installations	18,870.21	8.3300%	1,571.89
335	Hydrants	-	2.0000%	-
336	Backflow Prevention Devices	-	6.6700%	-
339	Other Plant & Misc Equipment	-	6.6700%	-
340	Office Furniture & Equipment	1,076.97	6.6700%	71.83
340.1	Computers & Software	7,539.49	33.3300%	2,512.91
341	Transportation Equipment	11,728.25	20.0000%	2,345.65
343	Tools, Shop & Garage Equip.	-	5.0000%	-
344	Laboratory Equipment	-	10.0000%	-
345	Power Operated Equipment	-	5.0000%	-
346	Communications Equipment	-	10.0000%	-
347	Miscellaneous Equipment	-	10.0000%	-
348	Other Tangible Plant	-		-
	TOTAL WATER PLANT	\$ 231,502.98		\$ 14,480.84

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

Company Name:

Mountain Glen Water Service, Inc.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 13,019	\$ 46,230
134	Working Funds	\$ 9,692	
135	Temporary Cash Investments		
141	Customer Accounts Receivable		\$ 8,360
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	\$ -	\$ -
174	Miscellaneous Current and Accrued Assets	\$ -	\$ -
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 22,711	\$ 54,590
	FIXED ASSETS		
101	Utility Plant in Service	\$ 229,454	\$ 231,503
103	Property Held for Future Use		
105	Construction Work In Progress		
108	Accumulated Depreciation - Utility Plant ("AD-UP")	\$ 40,242	\$ 53,191
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility ("AD-NU")		
	TOTAL FIXED ASSETS	\$ 189,212	\$ 178,312
	TOTAL ASSETS	\$ 211,923	\$ 232,902

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

Company Name:

Mountain Glen Water Service, Inc.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 905	\$ 4,852
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		\$ -
235	Customer Deposits	\$ 2,890	\$ 2,790
236	Accrued Taxes	\$ 2,875	\$ 2,820
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 6,670	\$ 10,462
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$ 19,722	\$ 21,545
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction	\$ 2,000	\$ 2,000
272	Less: Amortization of contributions	\$ (350)	\$ (450)
281	Accumulated Deferred Income Tax	\$ 6,270	\$ 8,446
	TOTAL DEFERRED CREDITS	\$ 27,642	\$ 31,541
	TOTAL LIABILITIES	\$ 34,312	\$ 42,003
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 5,000	\$ 5,000
211	Paid in Capital in Excess of Par Value	\$ 158,016	\$ 158,016
215	Retained Earnings	\$ 14,595	\$ 27,883
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 177,611	\$ 190,899
	TOTAL LIABILITIES AND CAPITAL	\$ 211,923	\$ 232,902

Company Name:

Mountain Glen Water Service, Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 141,778	\$ 152,076
460	Unmetered Water Revenue		
474	Other Water Revenues		
	Penalties		
	TOTAL OPERATING REVENUES	\$ 141,778	\$ 152,076
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 60,821	\$ 52,000
610	Purchased Water	-	432
615	Purchased Power	9,440	8,942
618	Chemicals	-	-
620	Repairs and Maintenance	4,861	9,709
621	Office Supplies & Expense	6,548	6,449
630	Outside Services	15,262	12,209
635	Water Testing	4,587	2,804
641	Rents	87	8,800
650	Transportation Expenses	3,284	2,021
657	Insurance - General Liability	3,680	5,313
659	Insurance - Health and Life	-	-
666	Regulatory Commsn Exp-Rate Case	-	-
675	Miscellaneous Expense	1,459	-
403	Depreciation Expense	12,304	14,481
408	Taxes Other Than Income	5,001	4,159
408.11	Property Taxes	3,019	9,058
409	Income Tax	50.00	50.00
	TOTAL OPERATING EXPENSES	\$ 130,403	\$ 136,427
	OPERATING INCOME/(LOSS)	\$ 11,375	\$ 15,649
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income		
426	Miscellaneous Non-Utility Exp		
427	Interest Expense	(3)	(11)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (3)	\$ (11)
	NET INCOME/(LOSS)	\$ 11,372	\$ 15,638

COMPANY NAME

*Mountain Glen Water Service, Inc***SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 13,225.00

Meter Deposits Refunded During the Test Year

\$ 1,523.00

COMPANY NAME

*Mountain Glen Water Service, Inc***WATER COMPANY PLANT DESCRIPTION****WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
<i>55-087029</i>	<i>5</i>	<i>25</i>	<i>550</i>	<i>5</i>	<i>1</i>	
<i>55-629078</i>	<i>20</i>	<i>1.50</i>	<i>225</i>	<i>12</i>	<i>2</i>	
<i>55-629080</i>	<i>7.5</i>	<i>85</i>	<i>190</i>	<i>6</i>	<i>2</i>	
<i>65-629079</i>	<i>7.5</i>	<i>65</i>	<i>180</i>	<i>6</i>	<i>1.5</i>	
<i>55-584187</i>	<i>3</i>	<i>15</i>		<i>6</i>	<i>1</i>	<i>2000</i>

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
<i>N/A</i>		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
<i>7.5</i>	<i>1</i>		
<i>5.0</i>	<i>3</i>		
<i>3.0</i>	<i>1</i>		
<i>2.0</i>	<i>1</i>		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
<i>12,000 gal</i>	<i>2</i>	<i>85 gal</i>	<i>15</i>
<i>5,000 gal</i>	<i>1</i>		
<i>2,500 gal</i>	<i>1</i>		
<i>15,000 gal</i>	<i>1</i>		

COMPANY NAME *Mountain Glen Water Service, Inc.*

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	1150
3	PVC	7850
4	PVC	25750
5		
6	PVC	7795
8		
10		
12		
3	CA	1625
6	CA	3000

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

10x12 foot concrete block well houses with concrete floor - 4 TOTAL

OTHER:

2000 Chevy S-10 TRUCK

COMPANY NAME: *Mountain Glen Water Service, Inc., Linden East*
09-025

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	254	1,238,820	1,380,400
FEBRUARY	251	1,291,989	1,454,875
MARCH	259	2,127,410	2,355,600
APRIL	263	1,367,260	1,479,700
MAY	264	2,273,660	2,373,300
JUNE	262	3,027,440	Well meter not read
JULY	263	4,059,198	7,454,500
AUGUST	260	1,777,512	1,928,100
SEPTEMBER	261	2,423,093	2,630,000
OCTOBER	263	1,866,317	2,088,300
NOVEMBER	263	1,354,500	1,521,400
DECEMBER	265	1,040,600	1,152,900
TOTAL		23,847,799	25,819,075

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. _____ mg/l
(If more than one well, please list each separately.)

POE #1 0.014 mg/l
POE #2 0.010 mg/l
POE #3 0.005 mg/l

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Mountain Glen Water Service, Inc., Pinedale
09-054

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	18	45,380	48,000
FEBRUARY	16	46,784	46,678
MARCH	16	64,190	77,300
APRIL	16	53,890	55,800
MAY	16	77,940	79,940
JUNE	16	90,710	94,930
JULY	17	133,400	144,160
AUGUST	17	44,440	52,200
SEPTEMBER	17	73,700	89,770
OCTOBER	17	73,410	78,580
NOVEMBER	17	53,070	63,050
DECEMBER	17	40,200	46,570
TOTAL		797,114	867,978

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 0.0073 mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Mountain Glen Water Service, Inc, Clay Springs
09-081

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	22	37,420	41,540
FEBRUARY	22	61,213	63,025
MARCH	23	61,820	118,690
APRIL	22	57,310	60,640
MAY	22	163,620	154,280
JUNE	22	230,870	220,680
JULY	22	292,410	278,750
AUGUST	21	110,930	109,260
SEPTEMBER	21	126,740	121,400
OCTOBER	21	73,070	71,550
NOVEMBER	21	56,700	58,910
DECEMBER	21	40,650	42,750
TOTAL		1,312,753	1,341,475

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

(X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 0.0069 mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Mountain Glen Water Service, Inc. YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 6064.40

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

923 41 0009
MOUNTAIN GLEN WATER SERVICE INC.

928-739-4770

P.O. BOX 897

CLAY SPRINGS, AZ 85923

4169

Date

10/4/05

91-170/1221 AZ
8895

Pay to the

Order of

Manny Hernandez Navajo City Treas \$ 6064.40

Six thousand sixty-four and 40/100 Dollars

Bank of America

ACH R/T 122101708

For

078665 25.00

078668 6039.40

Beatrice J Parker

⑆122101708⑆ 004671597773⑈ 4169 ⑆0000606440⑆

© Charles American

GUARDIAN SAFETY BLUE DEBL

2005 PROPERTY TAX NOTICE

ARIZONA

BOOK	MAP	PARCEL #	AREA SQ. FT.	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	PROPERTY TAX
923	41	001 2 1001		6.4963	3.4951		
							PRIMARY PROPERTY TAX
							16.24
							LESS STATE AID TO EDUCATION
							0.00
							NET PRIMARY PROPERTY TAX
							16.24
							SECONDARY PROPERTY TAX
							8.76
							SPECIAL DISTRICT TAX
							0.00
							TOTAL TAX DUE FOR 2005
							25.00

078669

TOTAL VALUE OF OPERATING PROPERTY

205-22-012 500 206-15-

004-A 500

This is the only notice you will receive.

Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook, AZ 86025-0668

THIS IS A
CALENDAR YEAR
BILL

JURISDICTION	2005 TAXES	2004 TAXES	DIFFERENCE
NAVAJO COUNTY	1.59	1.58	0.01
SCHOOL EQUAL	1.09	1.14	-0.05
SHOW LOW SD #10	12.63	13.70	-1.07
NORTH-PIO COLLG	3.80	3.77	0.03
CLAY-PINEDALE FD	4.19	3.96	0.23
FIRE DIST AST FD	0.25	0.25	0.00
NAV CO LIBRARY D	0.08	0.05	0.03
NAVAJO COUNTY FD	0.75	0.51	0.24
PUBLIC HLTH SERV	0.49	0.19	0.30
NORTHERN AZ VIT	0.13	0.13	0.00

TOTALS 25.00 25.28 -0.28

0207384 01 AV 0.278 **AUTO T1 3 0784 85923-080797



MOUNTAIN GLEN WATER SERVICE COMPANY
C/O BEATRICE PARKER
P O BOX 897
CLAY SPRINGS AZ 85923-0897

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2005. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2006. To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2005. Delinquent interest will be waived.

Make your check payable to and mail to:

Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook, AZ 86025-0668

ARIZONA

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

MAY 24 2006

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>NAVAJO</u>
NAME (OWNER OR OFFICIAL) TITLE	
COMPANY NAME	<u>Mountain Glen Water Service, Inc.</u>

AZ CORP COMM
Director Utilities

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Beatrice L. Parker, Secretary

SIGNATURE OF OWNER OR OFFICIAL

928-739-4770

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

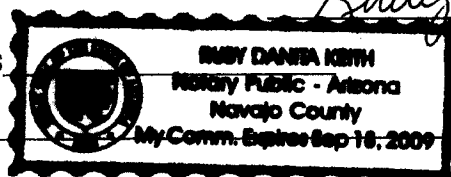
20th

DAY OF

COUNTY NAME	<u>NAVAJO</u>	
MONTH	<u>APRIL</u>	<u>2006</u>

(SEAL)

MY COMMISSION EXPIRES



Ruby Danita Keith

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Mountain Glen Water Service, Inc. YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 50.00

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances —
Amount of Gross-Up Tax Collected —
Total Grossed-Up Contributions/Advances —

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

William J. Parker
SIGNATURE

5-1-2006
DATE

William J. Parker
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAY 03 2006

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>NAVAJO</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Beatrice I. Parker, Sec/treas</u>
COMPANY NAME <u>Mountain Glen Water Service, Inc</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 161,482.92

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 9406.63

IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Beatrice I. Parker
SIGNATURE OF OWNER OR OFFICIAL

928-739-4770
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

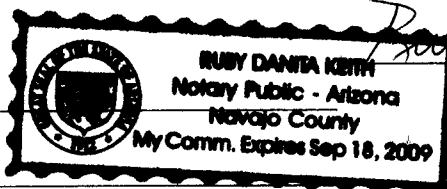
20th

DAY OF

COUNTY NAME <u>NAVAJO</u>	
MONTH <u>APRIL</u>	<u>2006</u>

(SEAL)

MY COMMISSION EXPIRES



Ruby Danita Keith
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

MAY 03 2006

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME) <u>NAVAJO</u>	
NAME (OWNER OR OFFICIAL) <u>Beatrice I. Parker</u>	TITLE <u>Sec/treas</u>
COMPANY NAME <u>Mountain Glen Water Service, Inc</u>	

AZ CORP COMM
Director Utilities

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 161,482.92

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 9406.63
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Beatrice I. Parker
SIGNATURE OF OWNER OR OFFICIAL

928-739-4770
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

20th

DAY OF

(SEAL)

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME <u>RUBY DANITA KEITH</u>	
COUNTY NAME <u>NAVAJO</u>	
MONTH <u>APRIL</u>	<u>2006</u>

x Ruby Danita Keith
SIGNATURE OF NOTARY PUBLIC

